

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

AZURE DEVELOPMENT, INC.

Debtor.

Case No. 23-00462 (ESL)

Chapter 11

**STATEMENT UNDER PENALTY OF PERJURY**

I, Luis R. Guzmán, of legal age, Vice President of Capital Crossing Puerto Rico LLC (hereinafter “Capital Crossing”), and resident of San Juan, Puerto Rico, under penalty of perjury state as follows:

1. My name and personal circumstances are stated hereinbefore.
2. Triangle Cayman Asset Company’s (“Triangle”) has filed a proof of claim on February 28, 2023, as amended on June 26, 2023 (the “Triangle Claim”).
3. I make this statement in my capacity as Vice President of Capital Crossing.
4. Capital Crossing provides loan administration services to Triangle in relation to, among other relationships, the loan facilities detailed in the Triangle Claim.
5. As part of my duties at Capital Crossing, I have access to the loan documents and business records regarding the Triangle Claim and my statements herein are based on my best personal knowledge acquired as part of my duties at Capital Crossing
6. The loan (the “Loan”) that forms the Triangle Claim was acquired from Oriental Bank by Triangle on September 28, 2015.
7. On February 17, 2023, Azure Development, Inc. (“Debtor”) commenced a chapter 11 bankruptcy proceeding (the “Petition Date”).

8. As of the Petition Date, Debtor and the Guarantors<sup>1</sup> owed Triangle the following amounts under the Loan Documents detailed in the Triangle Claim: **\$1,747,130.09** of which \$1,026,969.77 are for principal amounts due, \$517,229.40 in accrued interest, \$22,646.56 in late fees, \$177,354.86 in legal expenses, \$644.00 in insurance costs and \$2,285.50 in valuation expenses, plus the amount of \$235.35 *per diem* for interest and any additional amount incurred in costs and fees under the Loan Documents for each day until the date of indefeasible payment in full of all amounts due under the Loan Documents.

9. The following chart reflects all index rate changes for the life of the Loan:

Index Rate Changes (WSJPRIME)			
Date	Rate	Margin	Total
12/17/2008	3.25	2.00	5.25
12/17/2015	3.5	2.00	5.50
12/15/2016	3.75	2.00	5.75
3/16/2017	4	2.00	6.00
6/15/2017	4.25	2.00	6.25
12/14/2017	4.5	2.00	6.50
3/22/2018	4.75	2.00	6.75
6/14/2018	5	2.00	7.00
9/27/2018	5.25	2.00	7.25
12/20/2018	5.5	2.00	7.50
8/1/2019	5.25	2.00	7.25
9/19/2019	5	2.00	7.00
10/31/2019	4.75	2.00	6.75
3/4/2020	4.25	2.00	6.25
3/16/2020	3.25	2.00	5.25
3/17/2022	3.5	2.00	5.50
5/5/2022	4	2.00	6.00
6/16/2022	4.75	2.00	6.75
7/28/2022	5.5	2.00	7.50
9/22/2022	6.25	2.00	8.25
11/3/2022	7	2.00	9.00
12/15/2022	7.5	2.00	9.50
2/2/2023	7.75	2.00	9.75

10. That regarding the late charge portion of the above-detailed amounts, the Loan Documents provide for interest accrual based upon prime plus a margin of 2% with a floor of 3.25%. In addition, the Loan Documents call for a 4% late charge for any payment of principal and/or interest

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<sup>1</sup> Guarantors refers to Alfonso Valdés García, Cost Control Company, Inc. and Fideicomiso Valdés Acevedo.

made more than 15 days after its due date. Therefore, as the interest rate varies, the total amount of the 4% late charge varies as well.

11. Based on the above rate changes, Triangle's books and records reflect that the Debtor and the Guarantors have accrued **\$22,646.56** in late charges as of the Petition Date, which amounts continue to accrue under the Loan Documents until final payment to Triangle at the interest *per diem* rate of \$235.53 for the interests portion, at the variable rate of 4% of the total amount of such *per diem* rate for the late charges portion, plus attorneys' fees and expenses.

12. Regarding the legal expenses portion of the above-detailed amounts, Triangle's books and records reflect that, as of the Petition Date, Triangle had incurred **\$177,354.86** in costs, expenses and attorney's fees regarding its prosecution of the State Court Action (defined below) and the collection of the amounts owed by the Debtor and the Guarantors under the Loan Documents.

13. Regarding the "insurance costs" portion of the Triangle Claim, the amount of \$644.00 was asserted under the Loan Documents, after Triangle being forced to obtain public liability insurance as required under the Loan Documents.

14. As determined by the Court of First Instance ("CFI") of Fajardo in the state court case of *Triangle Cayman Asset Company v. Azure Development, Inc. et al*, Civil Num. NSCI 201500410 (the "State Court Action") **as of October 15, 2022**, under the very same Loan Documents of the Triangle Claim in the captioned case, Triangle is owed the amount of \$1,713,834.27, of which (i) \$1,026,969.77 is the principal amount, (ii) \$487,810.65 in accumulated interests, which continue to accrue daily at a rate of \$235.35 until final and complete payment of the obligations under the Loan Documents, (iii) \$21,124.35 in late charges, (iv) \$175,000.00 in attorneys fees, (v) \$644.00 for insurance policies paid for the real estate collateral described in the Triangle Claim and (vi) valuation expenses. See, Exhibit 1 to this Statement.

15. The amounts already determined by the CFI as of October 15, 2022 have continued to accrue interest, late charges, and attorney's fees as detailed above through the Petition Date.

16. I declare under penalty of perjury under the laws of the United States of America that the foregoing information is true and correct, to the best of my knowledge.

In San Juan, Puerto Rico, this 26<sup>th</sup> day of June, 2023.

*Luis R. Guzman*

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Luis R. Guzmán  
Vice President of Capital Crossing Puerto Rico LLC